



ORIGINAL

A subsidiary of Pinnacle West Capital Corporation



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February 23, 2007

Arizona Corporation Commission

DOCKETED

FEB 23 2007

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

DOCKETED BY	
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RE: MARCH 2007 DSM ADJUSTMENT FILING PURSUANT TO DECISION NO.
67744, DOCKET NO. E-01345A-03-0437

Dear Sir or Madame:

Pursuant to Decision No. 67744 (Attachment A, Section VII, paragraph 43), Arizona Public Service Company ("APS") is to file for any changes in the Demand Side Management ("DSM") adjustor rate by March 1st of each year.

APS is not requesting a revision to the adjustor rate, which is currently set at zero. APS' DSM spending in 2006 did not exceed base rate collections and therefore the adjustor rate will not be necessary this year.

If you should have any questions or wish to discuss this further, please call me.

Sincerely,

Barbara A. Klemstine

BAK/rcm

Cc: Ernest Johnson
Brian Bozzo
Barbara Keene

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DOCUMENT CONTROL

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